



Commonwealth of Kentucky Public Protection Cabinet

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ANNUAL WORKERS' COMP FILING APPROVED *Loss costs decrease for fifth consecutive year*

FRANKFORT, Ky. (Aug. 23, 2010) – An annual filing most insurance carriers will use to develop rates for workers' compensation coverage shows the fifth consecutive overall decrease in loss costs, Department of Insurance Commissioner Sharon P. Clark announced today.

The 2010 filing, approved by the state Department of Insurance and effective Oct. 1, is by the National Council on Compensation Insurance Inc. (NCCI), an advisory organization that serves as the oldest provider of workers' compensation and employee injury data and statistics in the nation.

Data collected from insurance carriers is used to develop loss costs, which are the average compensation for lost wages, based on the level of disability, plus medical benefit payments. Use of the information is voluntary but most workers' comp carriers use the NCCI loss cost values as a base to which the insurer's own loss adjustment and overhead expenses are added to arrive at the rates charged to Kentucky employers.

The loss cost figures show an average reduction of 10.3 percent for the 584 industrial classes used in Kentucky. These classes include manufacturing, office and clerical, contracting, and goods and services. For coal classes, underground mining costs increased 7.1 percent while surface mining remained unchanged.

"Kentucky employers and workers continue to receive very good news related to workers' comp," said Clark. "Claim frequency is declining, and while medical costs continue to rise, the increases are more moderate. In these difficult economic times, it's great to see costs going down for many of our employers."

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